

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

Page 168, after line 49, begin a new paragraph and insert:

"SECTION 152. IC 2-2.1-4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 4. General Expenditure Controls**

**Sec. 1. As used in this chapter, "state spending cap" refers to the maximum expenditures under section 4 of this chapter.**

**Sec. 2. As used in this chapter, "controlled state fund" refers to a state fund that is a depository of revenue from at least one (1) of the following:**

- (1) Alcoholic beverage tax under IC 7.1-4.
- (2) Gaming card excise tax under IC 4-32-15-1.
- (3) Cigarette and tobacco products tax under IC 6-7-1 and IC 6-7-2.
- (4) Controlled substance excise tax under IC 6-7-3.
- (5) Gross income tax under IC 6-2.1.
- (6) Adjusted gross income tax under IC 6-3-1 through IC 6-3-7.
- (7) Supplemental net income tax under IC 6-3-8.
- (8) Financial institutions tax under IC 6-5.5.
- (9) Gasoline tax under IC 6-6-1.1.
- (10) Special fuel tax under IC 6-6-2.5.
- (11) Motor carrier fuel tax under IC 6-6-4.1.
- (12) Motor fuel inventory tax under IC 6-6-1.1-209.
- (13) Motor carrier surcharge tax under IC 6-6-4.1-4.5.
- (14) Hazardous waste disposal tax under IC 6-6-6.6.
- (15) Insurance tax under IC 27-1-18-2.
- (16) Fire insurance tax under IC 22-12-6-5.

- (17) Petroleum severance tax under IC 6-8-1.
- (18) Pari-mutuel admissions tax under IC 4-31-9-5.
- (19) Pari-mutuel satellite facility tax under IC 4-31-9-9.
- (20) Pari-mutuel wagering tax under IC 4-31-9-3.
- (21) Riverboat admissions tax under IC 4-33-12.
- (22) Riverboat wagering tax under IC 4-33-13.
- (23) State gross retail and use taxes under IC 6-2.5.
- (24) Property taxes under IC 6-1.1.

**Sec. 3.** As used in this chapter, "expenditures" refers to an expenditure from a controlled state fund in a state fiscal year. The term does not include the following:

- (1) A payment of a tax refund or refundable tax credit related to a state tax liability.
- (2) A transfer between controlled state funds or accounts within a controlled state fund.
- (3) The costs of capital construction and repair.
- (4) The costs of judgments and settlements.

**Sec. 4.** Except as provided in section 6 of this chapter, the general assembly shall not appropriate and budget director may not allot more for expenditures in a state fiscal year than an amount determined as follows:

**STEP ONE:** Determine the amount of spending in the previous state fiscal year.

**STEP TWO:** Determine the greater of:

- (A) four percent (4%); or
- (B) the percentage increase in the gross domestic product deflator for the previous calendar year.

**STEP THREE:** Determine the lesser of:

- (A) eight percent (8%); or
- (B) the STEP TWO result.

**STEP FOUR:** Add one (1) to the result determined under STEP THREE.

**STEP FIVE:** Multiply the STEP FOUR result by the STEP ONE amount.

**Sec. 5. (a)** An increase in the spending cap, other than by an adjustment under section 7 of this chapter, may occur only if at least one (1) of the following occurs:

- (1) A spending responsibility has shifted from another level of government to the state.
- (2) A spending responsibility has shifted from a fund not limited by this chapter to a fund limited by this chapter.
- (3) There has been:
  - (A) an expansion of:
    - (i) state services; and
    - (ii) state spending; and
  - (B) a tax increase that is dedicated to these state services and spending.

**(b)** An increase in the spending cap requires the approval of a two-thirds (2/3) majority of the house of representatives and a two-thirds (2/3) majority of the senate.

**Sec. 6.** The general assembly, in a regular session, may authorize an emergency appropriation by enacting a public law that contains all the statements described in section 8 of this chapter in a supplemental appropriations act. The act must be approved by a two-thirds (2/3) majority of the house of representatives and a two-thirds (2/3) majority of the senate.

**Sec. 7.** An act described in section 6 of this chapter must contain the following:

- (1) A statement that all spending authorized in the act is beyond the limits of the state spending cap.
- (2) A description of the additional amount of emergency expenditures and an explanation of the specific circumstances that created the need for a supplemental appropriation.

1       **Sec. 8. Except as allowed in an emergency appropriation and allotment under section 6 of this chapter,**  
 2 **all appropriations for expenditures for a state fiscal year, including continuing appropriations, are void**  
 3 **if the total amount appropriated for expenditures exceeds the state spending cap for the state fiscal year**  
 4 **that is allowed under section 4 of this chapter. If the appropriations for a state fiscal year are voided**  
 5 **under this section, the general assembly in a regular or special session may reappropriate an amount that**  
 6 **does not exceed the state spending cap allowed under section 4 of this chapter.**

7       **Sec. 9. (a) Reductions in the state spending cap are mandatory in each year when spending responsibility**  
 8 **is:**

9           (1) shifted from the state to another level of government; or

10          (2) transferred from a fund limited by this chapter to a fund not limited by this chapter.

11       **The state spending cap must be decreased by the amount of the shift or transfer.**

12       **(b) The amount of the state spending cap reduction shall be determined by the budget agency upon the**  
 13 **recommendation of the state budget committee by a simple majority vote.**

14       **(c) If the budget agency determines:**

15           (1) a state spending cap reduction is required that is less than one-tenth percent (0.1%); or

16           (2) a need to waive the mandatory downward adjustment;

17       **the state spending cap reduction must receive a unanimous recommendation from the state budget**  
 18 **committee.**

19       **SECTION 153. [EFFECTIVE UPON PASSAGE] IC 2-2.1-4, as added by this act, applies only to**  
 20 **appropriations and allotments for state fiscal years that begin after June 30, 1999."**

21       Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed February 22, 1999.)

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Representative Turner